

# Managing a multi-billion dollar IT Budget

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## Abstract

*ING Group is a global financial services institution offering banking, insurance and asset management to 60 million private, corporate and institutional clients world-wide. ING has a market capitalisation of 23 billion euros and total assets of over 700 billion euros.*

*Similar to other global financial institutions ING depends on information technology for delivering its services. Obviously, allocating an IT budget of 2.6 billion euros (2003) requires a sound IT governance. The corporate governance principles of ING assure value creation and protection of stakeholder interests through managing business opportunities and risks. Similarly IT governance assures the delivery of the expected benefits of IT to help enhance the long term sustainable success of the company.*

*ING's global IT governance structure meshes with the overall corporate governance structure. This helps to align IT strategy with the business goals. The IT Roadmap, as part of the annual planning exercise, is an important instrument to ensure that IT matches the needs of the business. The IT Roadmap outlines the current high level IT issues and the current priorities for IT investments.*

*ING considers IT to be an investment centre that drives value creation rather than a typical cost centre with a narrow focus on budget controls,. The IT and shareholder return project undertaken by IBM in 2001 and taken further by ING and IBM jointly in 2002 sheds a light on how IT helps to increase the shareholder value. One of the key findings of the project is that the best-performing insurers better control their IT maintenance costs and hence create more room for new software development and enhancement. This conclusion matches the believe that striving for better and complete functionality has a favourable effect on software maintenance costs.*